New export strategy

27. SHRI NAGENDRA NATH OJHA:
SHRI SOLIPETA RAMACHANDRA REDDY:
SHRI V.V. RAGHAVAN:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to introduce a new strategy to double Indian Exports during the next five years;

(b) if so, the details of the new strategy;

(c) the details of India's share of world trade and how far it is expected to be increased with this new strategy; and

(d) the countries where the items shall be exported and how the competition with other countries shall be met?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) to (c) Yes, Sir. The Medium Term Export Strategy (MTES), for the period 2002—2007, has been announced. Focus products have been identified by examining the import basket of major trading partners and India's export basket. MTES gives a road map for the export sector by giving macro and sector-wise strategics to increase India's share of merchandise exports from 0.67% to 1% of World exports by 2006-07.

(d) Three major markets namely USA, EU, Japan, besides 25 other destinations, are identified as major potential markets for exports, key macro strategics and sector-wise strategics have been evolved to enhance the competitiveness of India's exports.

Inflow of FDI Into India

28. DR. MANMOHAN SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the target of foreign direct investment fixed by Government and actual inflows from 1995-96 to 2000-2001;

(b) the comparison of inflows of Foreign Direct Investments into India and China during the last three years;

(c) what is Government's assessment of reasons for much lower inflows into India as compared with China; and

(d) the measures adopted by Government to improve upon past performance?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH) (a) There are no fixed targets for Foreign Direct Investment (FDI). However, the position with regard to FDI proposals and actual inflows from 1995-96 to 2000-2001 is as under:—

Year (April—March)	Amount of FDI Approved (Rs. in crore)	(Amount of FDI Inflows (Rs. in crore)
1995-96	38,072.70	7,664.80
1996-97	47,807.96	11,746.79
1997-98	42,992.02	16,142.94
1998-99	33,920.59	14,279.80
1999-2000	21,654.32	15,209.57
2000-2001	43,038.71	20,508.43

(b) Comparative inflow figures for the years 1998, 1999 and 2000 in respect of India and China as reported in UNCTAD's World Investment Report, 2001 (WIROI) are as under:

(Million of Dollars)

Year	India	China
1998	2,614	43,751
1999	2,154	40,319
2000	2,315	40,772

It may be stated that a straight comparison of the performance of India and China on the basis of WIROI reporting might not reveal

the true picture as the FDI reporting in respect of both India and China for the above period is based on national official sources and not in accordance with international standards stipulated in the Balance of Payments Manual (5th Edition) published by the IMF. Whereas the FDI data in respect of India as reported in the WIROI is based on RBI reporting, which only accounts direct investment in equity and preference capital and does not take into consideration reinvested earnings and other direct capital flows (which actually should form part of FDI as per IMF definition), the Chinese data includes short-term/long-term borrowings, reinvested earnings, capital contribution in terms of plant and machinery, etc., apart from equity/ preference capital inflows.

(c) and (d) As explained at (b) above, differences in the reporting systems obtaining in the two countries render a proper comparison difficult. Notwithstanding the above, the higher level of FDI inflows into China is mainly due to the fact that China had opened up more than a decade before India did, which has enabled it to attain the critical mass and benefit from its spillover effects. The other factors responsible for the strong performance of China on the FDI front include the Hong Kong-Taiwan advantage, huge infrastructure spending by Government, etc., Govprnment of India is making continuous efforts to make India the most preferred investment destination in Asia by providing an internationally competitive investment climate in terms of policy framework, factors and institutions.

Export growth rate

29. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the export growth target slashed to 3 per cent during this year;

(b) if so, whether the Commerce Ministry has slashed the export growth target for 2000-2001 to 3 per cent as against an earlier projection of 12 per cent;

(c) whether this has exerted pressure on revenue mobilization;